EMPLOYEE PERCEPTION ON PERFORMANCE MANAGEMENT AND EMPLOYEE PERFORMANCE IN HOTEL INDUSTRY IN KENYA

BY

MAKORI ALEX OANDA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI

OCTOBER 2014

DECLARATION

This research project is my original work and has not been submitted for any academic award in any other University or Institution.

Signed …………………………………………. Date………………………………

Makori Alex Oanda

D61/76198/2012

This research project has been submitted for examination with my approval as the University supervisor.

Signature……………………………………….Date………………………………..

Kariuki C. Ngugi

Lecturer, Department of Management Science

DEDICATION

Dedicated to my dad and mum (Isaya and Monica Makori) for the guidance and moral support you have given me up to this level. You have stuck with me through the journey always, stressing the need for education and I will forever be grateful to you. May God bless you abundantly.

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF TABLES

ABSTRACT

This study sought to shed light on the relationship between employee perception on performance management and employee performance in the hotel industry in Kenya and sought to achieve three objectives. These were to establish employees' perception on performance management initiatives in the Hotel Industry in Kenya, to evaluate the extent to which employees view their performance as satisfactory and to determine the relationship between employee perception on performance management and employee performance.

The study employed the descriptive design that employed stratified quota sampling and used questionnaires to collect primary data. The questionnaires were distributed to 90 staff members involved in customer service points across 10 hotels classified in the three, four and five star categories in Nairobi. The data collected was analyzed using both descriptive and inferential statistics. SPSS version 17 was used to analyze the data.

The Findings indicated that employees appreciate performance management initiatives in the hotel industry. Quality and safety were key drivers in managing performance in the hotel industry. Easy exchange of information within and between departments was also important in ensuring that the quality of customer service was maintained. There was agreement that the management of performance had aided in fostering good working relations. The study concluded that managing performance aided employees in performing their duties but did not significantly influence their individual performance.

The study recommended a re-evaluation of the contribution of employee performance in the industry with a view of establishing its main drivers/ predictors. This would enable managers to focus on the issues that positively influence both individual and organizational performance.

CHAPTER ONE: INTRODUCTION

1.1 Background

Performance in any organization is dependent on the contributions of the employees in the various processes that they interact with. These contributions are governed by the structures put in place in the organization and performance management initiatives meant to ensure that the processes/routines are running as efficiently and effectively as possible. Performance management initiatives enable organizations to plan, measure and control their performance, so that decisions, resources and activities can be better aligned with strategies to achieve desired results (Bento and Bento, 2006).

Employees are critical in that they control the sequence of routines and processes that are meant to lead to the required output. The success of these processes/routines depends on the decisions made by the employees during interaction with the processes. These decisions will depend on how they understand the structures in place and how they perceive management initiatives meant to support effective running of the processes. Depending on their interaction with the processes employees may perceive these initiatives differently and it may affect the kind of decisions they make given the situations at hand.

This study sought to evaluate the perception of employees on performance management initiatives and how these perceptions affect their performance. The study was informed by the performative perspective advanced by Feldman (2003) which postulates that organizational participants make conscious efforts to understand what actions make sense in the context in which the work is being performed thereby creating stability in performance. It poses the argument that participants in organizations use what they understand about how the organization operates to guide their performances especially on a given routine.

The study was also anchored on the practice or structuration theory (Bourdieu, 1977, 1990 and Giddens, 1979, 1984, 1993) which highlights on the relationships between understandings and performances. It posits that repeated performances create and recreate

understandings while the understandings constrain or enable performances. Relevant performances such as performances of the supervisor are integral to what people perceive about how the organization works (Feldman, 2003). In other words employee perception of the ongoing in the organization is a key factor in determining the course of action that the employee will take in enacting a given routine and this will ultimately affect outcomes. This explanation moves away from focusing on the effect of doing the routine to understanding how the organization operates.

1.1.1 Employee Perception on Performance Management

Perception has been defined as an act of being aware of one's environment through physical sensation which denotes an individual's ability to understand (Analoui, 2007) and it is basically influenced by the attitude of that individual (Bititci et al, 2006). This implies that an employee's attitude determines his or her interests or attention as the case may be. According to Kuhlmann (2010) employees behave in a given manner based not on the way their external environment actually is but rather on what they see or believe it to be. He further argues that employee's perception of their work situation will influence their productivity more than the situation itself.

Performance management involves a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organizations overall mission and goal. It involve the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities; their main goal being to ensure that the contribution of each individual in the organization ultimately results in outcomes that support the organization towards achieving its goals (Simons, 2000).

Performance management should systematically facilitate learning, improvement and strengthen focus on results which are the building blocks of a performance culture. The culture of an organization can be conceptualized in terms of the daily activities carried out, the way policies are visualized and implemented, the way people relate to one another and to the various systems they interact with and the level of influence that

informal mechanisms have on the productivity of these systems. The alignment and combination of these aspects determines how employees view the organization, their sense of belonging and the level of responsibility they will take for their actions in the system.

Robson (2004) observes that in high performance cultures it would seem likely that people would perceive that in addition to their everyday operational activities, part of their job would be to continually assist in improving the performance of the organization. He further argues that in effect they would perceive that they could somehow affect or control critical aspects of the overall performance. In such a situation they would far more likely consider continually improving the performance of the processes in which they are involved as an important part of their job.

However when people perceive themselves as carrying out the instructions of others they cease to feel responsible for the consequences of those actions even when they are aware of those consequences (Milgram, 1963). This difference in perception is critical to determining the culture of the organization and in defining the role of policy in resource deployment and utilization in the production system.

1.1.2 Employee Perception on Performance Management and Employee Performance

Armstrong (2000) argues that it is the people that make an organization and competitive advantage today is based on the effectiveness of human assets; their ability to apply their skills, knowledge and work effectively together as a team that is enhanced and improved over time through performance management systems and practices. The employee perception of performance management initiatives is based on the level of internalization of the systems they interact with. Based on this understanding and the perception they have of the effects these initiatives will have on their work, the employees have to decide on the next course of action for the activities they carry out. The timeliness and accuracy of reactions will automatically determine whether the organization's performance initiatives result into better performance or not. The current study thus sought to evaluate

3

the level of internalization by employees; of interventions introduced into the systems they interact with and their possible effects on the actions they take.

1.1.3 Hotel Industry in Kenya

The hotel industry dates back to the colonial era. As a necessity to the British and the workers who were involved in building the railway the industry grew as the railway network expanded towards Uganda. The growth saw hotels attaining international five star rating as early as 1960. Currently there are over 500 licensed international hotels in Kenya offering a diverse range of accommodation packages to suit every need.

The industry has been one of the fastest growing industries in recent times with net worth running in the billions. The trend was mostly boosted by tourism that was supported by the economy and security. The major markets for the industry have always been in the west where the seasonal weather made people move out into Africa at given times. This trend always turned into good fortune for the industry. However recent events of terrorism are threatening to reverse the gains made so far prompting hotels to look elsewhere for business. Part of the efforts also involves improving performance in terms of internal business processes and the way they position themselves in the market.

1.2 Statement of the Problem

Performance management in its fullest sense is based on the belief that everything that people do at any level contributes to achieving the overall purpose of the organization. It is therefore concerned with what people do (their work), how they do it (their behavior) and what they achieve (their results). It also embraces all formal and informal aspects adopted by an organization to increase corporate, team and individual effectiveness and to continuously develop skill knowledge and competence. Pavlov and Bourne (2011) observe that organizational performance is delivered through organization routines. In any organization it is the employees who carry out these routines or the activities involved in the routines.

In order to achieve the level of performance required, the employees (executors of the routine) should be able to understand the contribution of the routine to the overall outcome and this will also enable them to understand the logic behind the arrangement of the different resources including information in achieving the outcome. The understanding will also form the basis of evaluation of the routine with a view of making it more efficient and effective with emphasis being on the aspects of the routine including the response or interventions when problems are detected, autonomy in decision making, involvement of management and the impact on the routine which are actually manifested by the understanding of the policies that govern the execution of the routines and by extension the performance in the organizations. DeWaal and Coevert (2007) observe that there is a scarcity of empirical works at organizations into the actual workings of performance management and the factors which actually cause the positive outcomes.

A big part of the literature covering the link between employee management and firm performance is based on the universalistic or "best practices" perspective that "implies a direct relationship between particular approaches to human resources and firm performance" (Youndt et al, 1996). Hoque (2002) studied human resource management and performance in the UK hotel industry and found that the relationship between HRM and performance is dependent upon the business strategy that the hotel is pursuing. Delaney and Huselid (1996) evaluated the impact of human resource management practices on perceptions of organization performance and found positive associations between HRM practices and perceptual firm performance measures. Youndt et al (1996) studied human resource management manufacturing strategy and firm performance and found that an HR system focused on human capital enhancement was directly related to multiple dimensions of operational performance.

Regionally Taiwo (2010) studied the influence of work environment on workers' productivity in oil and gas industry in Nigeria and concluded that conducive work environment stimulates productivity of workers. Locally Njoroge (2013) studied employee factors and perceived service quality in the hotel industry in Nairobi Kenya and found out that employee related factors affected perceived service quality in hotels while

Nderitu (2012) evaluated the perceived effect of performance management practices on employee satisfaction at Swedish cooperative centre and found that training and development, career development, performance related pay and reward satisfy employee.

Although support for the universal approach exists the literature is inconsistent when considering employee management and more specifically the identification of practices or combination of practices that constitute "best practices" (Panayotopoulou and Papalexandris 2004). Best practices should be manifest in the way employees view their work (Robson, 2004) and especially in the way they view their contributions towards improving the performance of organizations in which they work in. The studies highlighted above have not evaluated performance management in light of the contribution of the employee and more so in the Kenyan context. It is in light of the aforementioned and the understanding that individual performance is a contributor of overall organization performance that the current study sought to answer the following questions: Do employees appreciate performance management in the hotel industry? How satisfied are the employees with their performance? Is there a relationship between perception of employees on performance management and employee performance?

1.3 Objectives of the study

The current study sought to achieve the following objectives.

  i.   To establish employees perception on performance management initiatives in the Hotel Industry in Kenya

  ii. To evaluate the extent to which employees view their performance as satisfactory.

  iii. To determine the relationship between employee perception on performance management initiatives and employee performance.

1.4 Importance of the study

This study would be beneficial to the hotel industry professionals in explaining the need to understand the contribution of the employees to the well-being of the industry and the major factors that promote productivity.

Practitioners from other industries would benefit through provision of information that will assist in understanding the role of employees in improving performance and providing a frame work by which they can incorporate the aspects of employee contributions in managing performance.

Institutions of higher learning would benefit from this study through contributions to the body of knowledge with regards to performance management initiatives. It would also form the basis for further studies in employee perception, performance management initiatives and how these aspects affect outcomes of work.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the literature review on employee perception, performance management initiatives and the contribution of their relationship to employee performance.

2.2 Performance Management

Performance management is always conceptualized as taking place in a cycle of distinct steps repeating themselves. However studies have shown that these steps keep overlapping as a result of constant evaluation that leads to adjustments. The steps majorly involve activities of planning, maintenance and control. Planning is an important practice in employee performance management which tends to define expectations of the work to be done the results to be attained and the attributes (skill, knowledge and expertise). It also identifies the measures to be used to monitor, review and assess performance (Armstrong, 1994). During planning targets should be set by joint agreement between employee and the appraising manager; the goals must be clear and measurable.

Maintenance of performance involves the various activities that ensure movement towards achieving objectives including provision of the right materials in a timely manner, proper and timely communication and timely interventions in cases of deviations. Monitoring performance or performance appraisal means measuring performance and providing feedback to employees. According to the United States office of personnel management (OPM, 2001), ideal monitoring means consistently measuring performance and providing feedback to employees and work groups on their progress towards reaching their goals. Taylor, (1984) proposed that regular feedback should bring about closer agreement on performance standards between employee and organization. Ashford (1989) asserts that where there is feedback it may be easier to convey negative feedback when this is necessary. Effective and timely feedback addressing employee

performance on elements and standards is an essential component of a successful performance management programme (OPM, 2001).

Effective performance management should evaluate and address employee developmental needs. Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility improving work progress or other methods (OPM 2001). Radnor and Barnes (2007) report on the need for performance management to be more predictive than only providing feedback. They conclude that a greater understanding of the importance of performance indicators and how to use them to achieve strategic objectives is essential to all levels of the organization. Armstrong (2000) argues that the performance management process includes basic practices such as agreed objectives, agreed performance standards, personal development plans and review of actual performance against set objectives, performance standards and development plans. Further performance management practices include extensive training and management of development activities incentive pay systems and performance management processes.

2.3 Employee Perception on Performance Management

Performance management initiatives are meant to systematically improve individual performance in order to achieve organizational goals (Wilkinson, 1995). They should be carried out in such a way as to clarify mutual expectations and should be perceived to emphasize the support role of managers who are expected to act as coaches rather than judges and focus on the future. Fowler (1990) argues that when employees see these initiatives as a process designed to help rather than to blame they are much more likely to be cooperative. The level of acceptance will depend on how the employees see their position as being relevant to the organization and the kind of support that they envisage from management.

Successful performance management initiatives therefore should involve integration of the systems in place with the culture of the organization in such a way that those involved in the process have a sense of belonging. Their fundamental goal should be to establish a

culture in which employees and groups take responsibility for continuous improvement of business processes and for their own skills and contributions (Philpott and shepperd, 1992). This should be manifest even to the decision making process involved in running the system. When employees believe that they have the ability to participate in decisions, there will be a positive impact on the work environment (Lawler, 1994). The management process should therefore be wary of the level of employee involvement required and the point of contacts that will be affected by the involvement. There is evidence that effective performance management initiatives can lead to improved organizational performance (Bevan and Thompson, 1991) and contribute to other important outcomes such as improved employee involvement, commitment and motivation (Taylor and Pierce, 1999).

2.4 Employee Performance

Employee performance is the measure of how well an individual converts input resources (labor, materials, machines etc.) into goods and services. It is the increase in functional performance, including quality (Dorgan1994). An employee's performance depends on his/ her understanding of how different combinations or resources affect the final outcome. In the context of the hotel the, combination of the given routines or resources is meant to ensure that the customer is satisfied with the service offering. Service delivery involves people and the key question for management is how to develop a performance management approach which balances quality with efficiency and reduces misunderstandings betweem the employees.

Ingram and McDonnell (1996) reckon that for example, the ongoing rivalry between kitchen and restaurant can often cause arguments, and adversely affect the quality of the guests' meal experience. This may be partially explained by the differences in the skills and personalities of cooks and waiters, and by the pressure (and heat) of a busy meal service. It is an ongoing management challenge to try to help both factions to see themselves as part of the greater whole or as a team. Employee attitude ranks as the most important critical success factor to hotel companies, but is difficult to measure accurately. This makes it even harder to control especially in instances where negative attitude

prevails over positive work attitude. Customers judge quality on a range of objective and subjective issues which are often difficult to pin down. Understanding the requirements of the service, how it interacts with the other activities and the uncertainties involved are important in determining what the outcome of the service will be.

Employee performance in an organization can be influenced by a wide range of factors including labor management relations social and psychological conditions of work, wage incentives physical fatigue and trade union practices (Taiwo, 2010). These will always determine the actions the employee will take and the outcomes to be expected from such actions. The outcomes of the actions taken depend on how well the employees understand what is required of them.

2.5 Employee Perception on Performance Management and Employee Performance
A person's perception of their job provides them with an internal frame of reference by which they can understand what is expected of them within their organization (Feldman, 2003). It forms the basis for decision making including how one interacts with the system. The initiatives that employees see being put in place by management influence their perception and by extension the kind of decisions they make in their daily activities. The interaction with the system and with others in the system results into a set of shared beliefs and experiences that define the identity of an organization and serves to guide its behavior.

Owen *et. al.* (2001) defines the set of shared beliefs and experiences as culture of an organization. Culture evolves over time and serves to guide the perception of what is important (value), what is possible (opportunity) and what is real (reality). The culture of an organization is manifested by the way organizations conduct their operations. Organizational operations are organized into systems that incorporate routines that are conceptualized as behavioral regularities (Winter 1964, 1986; Gersick and Hackman, 1990; Dorsi et al., 1992), 'recurrent interactions patterns' (Becker, 2005) or as rules and standard operating procedures (Cohen, 1991; Egidi, 1996; March and Simon, 1958; Cyert

and March 1963). These govern the daily activities that an organization undertakes as a step in improving performance.

The fundamental goal of performance management initiatives is to establish a culture in which individuals and groups take responsibility for continuous improvement of business processes and for their own skills and contributions (Philpott and shepperd, 1992). This; according to Bititci et al (2006), can reduce your need (as the manager) to be involved in everything that goes on (micro-management) save time by helping employees make decisions on their own and ensuring they have the necessary knowledge and understanding to make informed decisions. It also reduces time consuming misunderstandings among staff about who is responsible for what and the frequency of situations where you don't have the information you need when you need it. This way mistakes and errors (and their repetition) are reduced helping you and your staff to identify the causes of errors or inefficiencies and ensuring proper integration into the way performance is managed (Hartle, 1995).

A number of studies have been done touching on the issue of performance management initiatives and performance. Notably, Al-Ahmadi (2008) evaluated factors affecting performance of hospital nurses in Riyadh Saudia Arabia and found out that performance is positively related to some personal factors including years of experience and marital status but level of education was negatively related. De Waal and Coevert (2007) looked at the effect of performance management on the organizational results of a bank and found out that attention to behavioural factors was important for the successful implementation of performance management. Ingram and Mc Donnell (1996) evaluated whether team work approach led to effective performance management and found out that for firms to overcome challenges of performance management, they had to strike a balance between the hard and soft factors and to harmonise efforts of their employees in a unitary way.

Locally Orale (2008) looked at employee performance management practices in Kenya local government sector and found out that there is need for a strong culture in aligning

performance management systems and strategy of organization. Mwangi (2008) looked at the use of rewards as a performance management strategy by insurance companies in Kenya and found out that performance is mostly tied to rewards in these organizations. Njeru (2012) evaluated perceived factors affecting employee performance management in the city council of Nairobi and found out that a formal framework for recognizing and rewarding performance was important in managing employee performance. Most of these studies evaluated the managerial aspect and assumed employee perception concerning managerial initiatives to be homogenous. Similar studies have not been conducted in the hotel industry in Kenya prompting the need for this study.

2.6 Summary and conceptual frame work

This section provides a summary of literature review and the conceptual framework defining the variables of interest.

2.6.1 Summary of review

Employee perception of performance management initiatives will always affect the way they view their contributions towards work. Perception creates the frame of reference by which employees decide on the next course of action in any routine. The decision made will determine whether the activity is improved, stays the same or is done poorly. Performance management initiatives are meant to ensure focus on what is important for an activity/ routine to be a success. However the success of any of these initiatives will depend on how the employee views the initiatives (planning, communication, crisis management and formalization of routines) as being beneficial considering the outcomes expected (task completion, timeliness in completing tasks and quality of output).

2.6.2 Conceptual Framework

Management initiatives are conceptualized as managers' interaction with the system. The interactions take the form of planning, communication, crisis management and formalization of routines. These interactions form the basis of perception by employees of the requirements of an operation, the managerial interventions expected, the rules and regulations that govern the operation and the kind of feedback that should be given or

expected. Their perception of the operations will guide the kind of decisions that employees makes in carrying out given activities thereby influencing the performances (task completion, timeliness in completing tasks and quality of output) in the activities. Employee perception on performance management and employee performance will be evaluated shown in figure 1.

Figure 1: Relationship between Employee Perception on Performance Management and Employee Performance

Employee Perception on Management Initiatives   **Employee Performance**

Understandings of how organization operates in terms of
Planning
Communication
Crisis Management
Formalization of Routines

Performances in a specific routine
Task completion
Timeliness in
Completion of tasks
Quality of output

Independent Variable   **Dependent Variable**
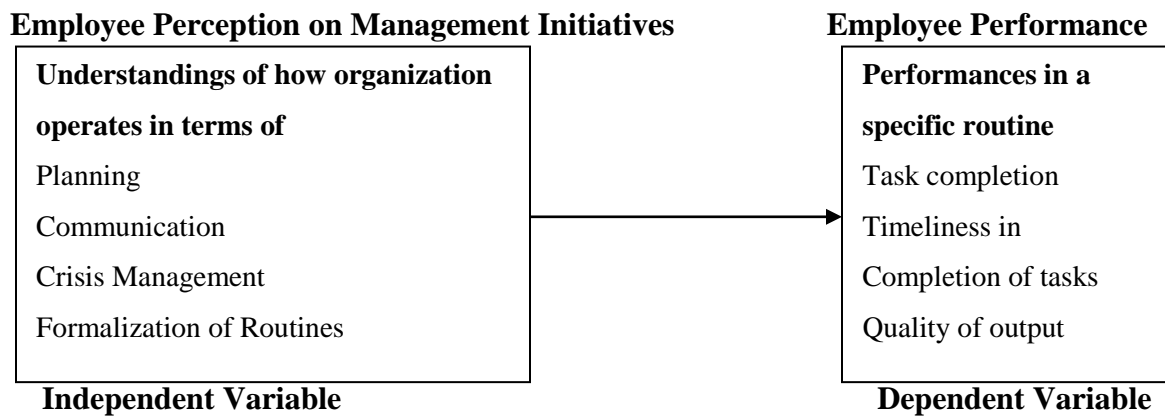
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The current study was a descriptive study that was meant to shed more light on the issue of employee perception of management initiatives in improving performance of organizations and how it impacts on employee performance. The choice of design was informed by the fact that this study relied more on perception of respondents to evaluate management initiatives.

3.2 Population

The population of study consisted of five, four and three star hotels based in Nairobi and recognized by the Ministry of Tourism. According to the Ministry of Tourism report 2012 there are 12 five star hotels, 13 four star hotels and 25 three star hotels making a total of 50 hotels as the population for this study.

3.3 Sampling

The study used a sample of 20% of the hotels or ten hotels selected through stratified quota sampling. This sampling technique takes into account that the hotels are classified into categories and this may be an indication of heterogeneity between the categories. The strata were defined by the classification of hotels (appendix II) and the quotas were apportioned depending on the size of each stratum.

The respondents were employees offering service at the various points that were core to the hotel and were charged with the responsibility of carrying out the routines that ensure that good quality service is achieved. From each of the sampled hotels the researcher collected information from employees in the three main customer service departments. These were front office, restaurant and accommodation. The study sought views from three respondents who were directly involved in core service provision in each of the three departments resulting in a total sample of 90 respondents as shown in Table 1.

Table 3.1: sample design

Strata	Strata size	Sampled	Employees sampled
5 star hotels	12	3	27
4 star hotels	13	3	27
3 star hotels	25	4	36
Total	**50**	**10**	**90**

3.4 Data Collection

The study relied on primary data basing on the fact that similar studies in Nairobi were few and therefore use of secondary data would not be possible. The data collected was qualitative in nature evaluating the extent of appreciation of employees on managerial actions in the various dimensions. The questions were close ended and elicited responses on a 5 point likert type scale in which 1 will depict low appreciation and 5 will depict high appreciation of the given variable.

The instrument used was a questionnaire that was divided into three main parts. Part A collected general information about the respondents. Part B and C collected information that was used to inform discussion of the objectives of the study. Part B collected information on employee perception on performance management. Part C collected information on employee performance.

To facilitate data collection the questionnaires were delivered to the respondents who were briefed on the exercise, then they were left to fill the appropriate responses. The researcher collected the questionnaires once they were filled.

3.5 Data Analysis

Data was analyzed using descriptive statistics and inferential statistics. Descriptive statistics including means and standard deviation were used to provide an overview of the respondents' perception on the various aspects of performance and management of performance evaluated by the study.

The mean was used to evaluate the appreciation for each of the aspects while standard deviation was used to evaluate consistency in the responses. A higher mean was indicative of higher appreciation for a given variable while large standard deviation was indicative of higher inconsistency in responses. Frequencies were also used in cases where there was need to inform on presence and magnitude of given factors.

Regression analysis was used to evaluate the relationship between the employee perception on performance management and employee performance. Performance management was evaluated based on the dimensions of planning, communication, crisis management and the level of formalization of routines. These were measured in terms of the means of the various aspects that define the four variables. The means were regressed on employee performance which was also measured in terms of the mean of the various aspects in the variable. The correlation coefficient (R) was used to evaluate the strength and direction of the relationship between employee perception on performance management and employee performance while the coefficient of determination (R^2) was used to evaluate the explained variation. The significance of the individual variables on performance was evaluated using the t statistic. The relationship was evaluated based on the following equation:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \varepsilon$$

Where

Y represented Employee Performance as the dependent variable and X_1 to X_4 represented the independent variables (X_1 = Planning, X_2 = Communication, X_3 = Crisis Management, X_4 = Formalization of Routines). B_0 represented a constant, B_1, B_2, B_3, B_4 were Coefficients and ε represents the Error Term.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter discusses the study findings on the perception of employees on performance management and its relationship to their performance. The findings are based on information that was collected by use of questionnaires from the employees who were directly involved in customer service points in three, four and five star hotels in Nairobi Kenya. A total of 90 questionnaires were distributed; out of which 51 questionnaires were returned representing a response rate of 57%. This response rate was considered adequate for the study. A response rate of over 50% is normally considered adequate for study. The information captured from the questionnaires was analyzed in light of the objectives of the study and addressed the respondents' general information, their perception on performance management and their self evaluated performance.

4.2 Respondents' General Information

The information captured in this section was meant to establish the length of interaction of the respondents with their work systems and whether they had the requisite knowledge that would assist them in responding to the issues that were to be addressed. The general information captured included the gender age level of education number of years worked for the organization and number of years they have worked in their current position. The findings were as presented in Table 4.1

Table 4.1: Respondents General Information

Characteristic	Aspects	Frequency	Percent	Cumulative Percent
gender	Female	28	54.9	54.9
	Male	23	45.1	100.0
	Total	51	100.0	
Age	20-25 yrs	8	15.7	16.0
	25-30 yrs	21	41.2	58.0
	30-35 yrs	12	23.5	82.0
	35-40 yrs	6	11.8	94.0
	over 40 yrs	3	5.9	100.0
	Total	50	98.0	
Missing	System	1	2.0	
Total		51	100.0	
highest education level	high school certificate	7	13.7	13.7
	Diploma	29	56.9	70.6
	Degree	15	29.4	100.0
	Total	51	100.0	
Number of years worked for the organization	0-5 yrs	32	62.7	64.0
	6-10 yrs	14	27.5	92.0
	11-15 yrs	2	3.9	96.0
	15-20 yrs	1	2.0	98.0
	over 20 yrs	1	2.0	100.0
	Total	50	98.0	
Missing	System	1	2.0	
Total		51	100.0	
Number of years worked in your current position	1-3 yrs	25	49.0	50.0
	4-6 yrs	19	37.3	88.0
	7-9 yrs	5	9.8	98.0
	10-12 yrs	1	2.0	100.0
	Total	50	98.0	
Missing	System	1	2.0	
Total		51	100.0	

The finding in Table 4.1 indicates that the respondents had adequately interacted with their various work systems and had the requisite knowledge of the work systems. Most of the respondents (76.5%) were between the ages of 25 and 40 years and up to 86% had

attained the level of diploma and above. The number of years worked also varied for this sample of respondents with 92% of them having worked in their organizations for periods ranging from 1 to 10 years. Of those sampled, 98% had worked in their current positions for between 1 and 9 years. The findings indicated a somewhat homogenous sample when considering the characteristics. It was therefore indicative of the fact that their interaction with the systems in place was almost similar.

4.3 Employee Perception on Performance Management

The information captured in this section was meant to establish whether the employees were satisfied with the initiatives put in place to support and manage performance. The responses were captured on a 5 point likert scale in which 1 signified high disagreement and 5 signified high agreement. The initiatives to be evaluated addressed the issues of planning, communication, crisis management and formalization of routines as components of performance management. The respondents were asked to indicate the extent to which they agreed that the various aspects touching on the issues evaluated in this section were present in their organizations. The findings were as presented in Table 4.2

Table 4.2: Respondents Perception of Performance Management Initiatives

Performance Management Initiatives	Mean	Std. Deviation
Planning	**3.47**	**1.2704**
The supplies are of the of good quality	4.04	.865
The supplies are safe to use	3.98	.948
I am aware of my shifts at the start of each month	3.92	1.351
Any changes in shift are communicated early in advance	3.74	1.426
There is a rule governing the number of times I work in a given shift	3.70	1.282
I get all the supplies that I require to do my job	3.62	1.123
There are strict rules governing change of shifts	3.52	1.233
When shifts are arranged they follow some order that is repeated after a given period	3.44	1.431
The supplies are available whenever I need them	3.43	1.188
I am allowed to take time off duty to compensate for extra hours worked	3.42	1.427
My boss always checks with me to confirm what kind of supplies should be bought	3.37	1.264
My boss regularly confirms how much of my supplies are remaining	3.32	1.133
When shifts are arranged our different abilities are considered	3.32	1.347
My boss and I regularly discuss about the work load that I should cover	3.31	1.304
At the end of each period we sit down to compare what has been achieved against what was agreed	3.14	1.414
We always agree on the amount of workload to be covered before my boss includes it in his plan	3.10	1.360
I am paid for extra hours worked outside my shift	2.54	1.501
Communication	**3.44**	**1.1329**
There is easy exchange of information with other members within my department	3.90	1.085
There is easy exchange with members of other departments	3.52	.967
Any new developments that may affect my daily routine are brought to my attention immediately	3.51	1.175
My boss allows me to brief him on the progress attained by word of mouth	3.49	1.192
Most of the information I need in doing my job is delivered earlier before I am required to work on it	3.44	1.050
Exchange of information with other departments can be done by word of mouth	3.43	1.155

Table 4.2 Continued….

Information acquired from other departments can be easily verified	3.41	1.059
I am always informed when working with information that has not been confirmed and can change any time.	3.33	1.125
I am informed early when I am supposed to work extra hours after my shift is over	3.28	1.363
We always communicate with my boss in writing	3.08	1.158
Crisis Management	**3.70**	**1.1193**
My boss always assists by providing leadership in tackling problems	3.88	1.053
Whenever there is a problem my boss comes in to find out what has happened	3.84	1.143
Even when the problem is solved, a follow up is done to ensure all is working well	3.73	1.151
When there is a problem any assistance requested of my boss is accorded immediately	3.70	1.020
My boss allows us to seek our way out of the problems before providing his view	3.55	1.174
Other department that may assist in providing a solution are promptly involved	3.49	1.175
Formalization of routines	**3.67**	**1.1168**
My work is made easier when I have all the supplies I require in good time	4.29	.967
Most of the steps in my work have to be completed within specific time period	3.98	1.145
The steps are connected to one another	3.92	.997
My work involves a series of different steps that are performed repeatedly following a given sequence	3.90	1.123
The steps involved are written down indicating the sequence to be followed	3.84	1.161
Some or all the steps in my work depend on the completion of previous steps for them to be successful	3.80	.969
If the time period is exceeded then the next steps are seriously affected	3.80	1.207
I am allowed to use my own judgement in steps where the end result is not clear	3.42	1.126
Our shift changes at the same time for most of us	3.18	1.137
I always work with the same people in my shift	2.61	1.336
Overall mean and std dev	**3.57**	**1.1599**

The findings in Table 4.2 indicates that the respondents neither agreed nor disagreed that planning initiatives were present in their organization (mean= 3.47). There was high consistency (stdev = 0.365) in response regarding planning indicating that the respondents had almost similar perception as far as planning was concerned. There was agreement that the supplies were of good quality (mean=4.04) and safe to use (mean=3.98). The respondents also agreed that they were made aware of their shifts at the start of each month but disagreed that they were paid for extra hours worked outside their shifts (mean=2.54).

On the issue of communication the respondents neither agreed nor disagreed that communication was present in their organization (mean = 3.44). There was high inconsistency in responses (stdev =1.1329). The respondents agreed that there was easy exchange of information with other members within their departments (mean= 3.90) and were moderately satisfied with information flow between departments (mean=3.52). The respondents however expressed moderate to low satisfaction regarding communication of unconfirmed information (mean= 3.33), communication on extension of work hours (mean= 3.28) and neither agreed nor disagreed that they always communicated in writing (mean= 3.08).

The respondents moderately agreed that crisis management is present in their organizations (mean = 3.70) though there was high inconsistency in responses (stdev = 1.1193). The average scores for aspects of crisis management ranged between 3.49-3.88.

The respondents agreed that leadership was provided by superiors in tackling problems (mean= 3.88) and that bosses were involved whenever there was a problem (mean= 3.84). They was also agreement that follow up was done after the problem was solved (mean= 3.73. The respondents neither agreed nor disagreed that other departments were involved in assisting with provision of solutions to the problem (mean= 3.49).

On the issue of formalization of routines the respondents moderately agreed that it was present in their organizations (mean = 3.67) though there was high inconsistency in responses (stdev = 1.1168). The average scores for aspects of formalization of routines ranged between 2.61- 4.29. The respondents agreed that work was made easier when all the supplies required were available in good time (mean= 4.29). They also agreed that most of the steps in their work had to be completed within specific time periods (mean=3.98) and that the steps were connected to one another (mean= 3.92), Respondents however disagreed that they worked with the same teams always (mean= 2.61). Overall the respondents moderately agreed that performance management initiatives were present in their organizations (mean = 3.57).

4.4 Employee Performance

The information captured in this section was meant to establish whether the employees were satisfied with their performances based on the performance management initiatives in place. The responses were captured on a 5 point likert scale in which 1 signified high disagreement and 5 signified high agreement. The findings were as presented in Table 4.3

Table 4.3: Respondents satisfaction regarding their performance

Measure	Mean	Std. Deviation
The quality of my output is quite good	4.40	.577
We have good working relations between me and my colleagues	4.36	.640
We assist each other in handling tasks that are challenging	4.32	.594
I am able to provide necessary information that would assist others to complete their tasks	4.28	.544
I am able to find solutions to the various challenges I encounter in my work	4.17	.601
I am able to finish my work on time	4.13	.711
I rarely have to repeat a task because it was not done properly	4.00	1.155
Customers have never raised a complaint about my service	3.83	.985
Overall mean and std dev.	**4.19**	**0.7259**

Source: Research Data

The results in Table 4.3 indicates that respondents were satisfied with their performance regarding their day to day tasks. There was general agreement that employee quality of output was good (mean= 4.40) and that they had good working relations with each other (mean= 4.36). They also agreed that they were able to assist each other in handling challenging tasks (mean= 4.32) and that they provide information for others to complete their tasks (mean= 4.28). Respondents also agreed that they always tried to find solutions to challenges encountered (mean= 4.17) and finished their work on time (mean=4.13). There was satisfaction that repeat tasks were very rare (mean= 4.00) and customers never raised complaints (mean=3.83). overall the employees agreed that their performance was good (mean =4.19) the consistency in agreement was also moderate (stdev =0.7259)

4.5 Employee Perception on Performance Management and Employee Performance

The relationship between employee perception on performance management and employee performance was evaluated using a regression analysis in which the mean for employee performance (dependent variable) was regressed on the means of the independent variables. The independent variables were planning (X_1), communication (X_2), crisis management (X_3) and formalization of routines (X_4) and their average scores were as presented in Table 4.4. The findings of the regression analysis were as presented in Table 4.5

Table 4.4: Average Scores Used In Regression Analysis

Respondent	variable mean scores				
	Planning	Communication	Crisis Management	Formalization of Routines	Employee Performance
1	3.12	3.5	3.83	3.3	3.75
2	4.82	4.1	4.83	4.6	4.25
3	4.76	3.9	4	4.3	4
4	2.59	2.8	2.33	3.7	4.13
5	4.56	4.5	4.17	4.4	4.5
6	3.76	3.5	4.17	4	3.88
7	4.82	4.8	5	4.2	4.38
8	2.88	3.6	3.83	3.5	4.88
9	3.35	2.3	4	4.2	4.5
10	2.71	2.5	3.33	3.3	4.88
11	4.12	3.78	4	4.1	4.25
12	2.12	2.6	2.33	3.4	3.75
13	4.35	4.2	4.33	4	4.63
14	3.41	4	5	3.2	4.63
15	3.53	3.7	3.5	3.6	3.75
16	3.35	3.5	3.67	3.7	3.88
17	3.47	3.7	3.83	3.4	3.63
18	3.47			3.5	3.75
19	4.29	4.2	4.83	4.3	4.13
20	2.18	2.33	1.5	1.9	
21	3.06	2.6	4.17	2.9	4.25
22	3.12	3.2	4.67	4.6	4.13
23	3.71	4			

Table 4.4. Continued…

24	3.88	3.5	3	3.8	3.63
25	1.82	3.1	3.8	3.9	
26	2.24	2.9	3	2.8	
27	2	3	2.83	3.8	3.75
28	2.59	3.2	2.83	3.1	4.38
29	3.71	3.6	3.67	3.5	3.88
30	3.53	3.5	3.67	3.5	4.13
31	2.81	3.3	2.6	3.33	4
32	4	4.4	5	4.4	4.88
33	3.93	2.78	3.83	3.6	3.75
34	3.82	3.5	4.33	3.8	4.13
35	4.13	4.1	4.17	3.8	3.5
36	4.19	4.1	4	4.3	5
37	3.94	4.2	3.67	4.5	5
38	2	1.7	1.33	3.3	3.63
39	2.71	3.2	4.33	3	4.14
40	1.71	1.4	1	2	3.88
41	3.13	4	4.67	4.4	4.5
42	4.63	3.8	4.17	3.7	4.75
43	4	3.6	4	3.7	3.63
44	3.53	3.2	3.67	4.5	4.75
45	4.65	3.7	4.17	3.8	4.57
46	3.56	3.11	3.5	3	4
47	3.71	3.7	3.67	3.6	4.75
48	3.47	3.5	4.5	4.1	4.13
49	4.41	4.1	3.5	3.9	3.88
50	3.75	3	3.33	2	3.75
51	3.65	3.7	3.5	4	4.63

Table 4.5: Regression Analysis Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.419	.175	.095	.40823

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.453	4	.363	2.179	.088
	Residual	6.833	41	.167		
	Total	8.285	45			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.145	.403		7.813	.000
	Planning	-.089	.128	-.163	-.697	.490
	Communication	.067	.162	.107	.412	.683
	crisis management	.127	.109	.255	1.165	.251
	formalization of routines	.177	.132	.243	1.342	.187

Predictors: (Constant), formalization of routines, planning, crisis management, communication

Dependent Variable: employee performance

The findings in Table 4.5 indicates that the relationship between employee perception on performance management and employee performance was positive and moderate as indicated by the correlation coefficient (R= .419). There was also indication that 17.5% of the variation in employee performance was explained by variation of their perception (R^2= .175). The model was however not statistically significant at .05 level of significance but was significant at .1 level of significance (F=2.179, sig= .088).

Planning influenced employee performance negatively though the influence was not significant (B= -.089, t= -.697, sig=.490). Communication (B= .067, t= .412, sig= .683), crisis management (B=.127, t= 1.165, sig= .251) and formalization of routines (B= .177, t=1.342, sig=.187) all influenced employee performance but the influence was also not significant.

The moderate relationship though not significant was indicative of the fact that employee perception on management initiatives was not a strong predictor of employee performance. This was supported by the fact that the model had a weak explanatory power and hence indicating that there were other predictors of employee performance that were stronger than employee perception on management initiatives.

4.6 Discussion of Results

Findings indicated that employees perceived to a moderate extent that performance management is practiced in the hotel industry. The fact that quality and safety of supplies was perceived to be high was indicative of the fact that quality and safety were key drivers in managing performance in the hotel industry. However the dissatisfaction on pay for extra hours worked would be indicative of the fact that hotels possibly preferred giving time off to compensate for extra hours worked than to pay as payment increases costs of providing for the service. However since most of the employees consider pay as a motivator they may be dissatisfied with the pay for extra hours worked if they deem it to be too low.

The findings also showed that there was easy exchange of information with other members within and between departments. This indicated that in the hotel industry, easy exchange of information within and between departments was important in ensuring that the quality of customer service was maintained.

The findings were supportive of the fact that whenever problems arose, management was present and provided leadership in tackling problems. However the bosses did not allow employees to seek solutions on their own and involvement of other departments in providing the solutions was minimal. The findings may be indicative of the fact that hotels have formal mechanisms for handling problems that may not give a lot of room for individual thinking. Also the involvement of the superiors in solving the problem gives them an upper hand in making decisions thus limiting employee autonomy in dealing with the problem. Also being in the service industry means that there is complexity of inputs and outputs which may be problematic if not handled properly. McLaughlin and

Coffey (1990) confirm that a service process may have many inputs and outputs that are mostly dependent on the mix of services which may be bundled together in a complex way since services may be jointly produced or interdependent. This complexity may limit the freedom of choices in a service set up.

The findings also indicated that management of performance facilitated good planning that resulted in smooth working conditions. The high interrelationship between tasks meant that timing was a key aspect in ensuring smooth completion of tasks and part of the management process was meant to ensure right timing for the various tasks as a way of avoiding delays. The results were indicative of the fact that the routines in the hotel industry follow an elaborate formal process that defines the interconnection between tasks, is documented and may be the basis for evaluation. The results supported Simons (2000) argument that performance management systems are defined as ''the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities''.

The fact that the employees don't work in the same team regularly may be indicative of a rotation policy or lack of a policy that promotes team dynamics. Ingram and McDonnell (1996) found that effectiveness may result by harnessing the latent creative energy of teams and that organizations that will succeed are those that harmonize the efforts of their employees in a unitary way.

Employees were satisfied with their performance and believed that the quality of output was very good. There was agreement that the management of performance had aided in fostering good working relations. Employees easily find help in tackling challenging tasks and are able to provide the necessary information to assist others complete their tasks. The findings were in line with the general tendency in literature which seems to support the view that organizations that have implemented PM perform better in both financial and non-financial terms than organizations that are less performance management driven. The argument according to this literature is that performance management directs attention and motivates the organization to act in a strategically

desirable way. It helps individuals to see their part in the wider enterprise with greater clarity (Williams, 1998).

The findings indicated that employee perception on performance management was not a very significant predictor of employee performance. There may be other significant predictors in determining employee performance. These findings were consistent with panayatopoulou and papalexandris (2003) who found that increased management practices do not necessarily lead to improved performance. The negative influence of planning on employee performance was indicative of the fact that planning efforts may have been slowing down the processes therefore negatively influencing performance. Formalization of routines and involvement of the managers in crisis management though also not significant had appreciable predictive power indicating that they may have been strong predictors in influencing performance.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the conclusions and recommendations based on the findings of the study. It also highlights on the limitations of the study and suggestions on the possible areas of further study.

5.2 Conclusion

The current study was based on a descriptive design and sought to answer three questions; Do employees appreciate performance management in the hotel industry? How satisfied are the employees with their performance? Is there a relationship between perception of employees on performance management and employee performance? To answer these questions, the hotel industry was used as the study unit.

Based on the findings the study concluded that performance management was more focused on ensuring good quality service to customers but employees in the hotel industry have not fully appreciated the initiatives put in place. Though the employees perceived some of the initiatives highly they did not seem to translate to much in terms of their performance.

The employees believed that they performed better in their daily tasks but there was no significant relationship between their individual performance and the perception they had of the initiatives in place. The study therefore concluded that employee perception on performance management was not necessarily influencing individual performance in the hotel industry.

5.3 Recommendations

There is need to re-evaluate the management initiatives with a view of making them understandable to the employees. This may enhance their appreciation of what the managers do and thus motivate them to work harder.

Management should evaluate new ways of motivating employees to perform better. Employees in the hotel industry seem to prefer extra pay for extra work done. Managers should also consider allowing employees to work in teams and also allow them to make decisions when faced with problems.

There is need to re-evaluate the contribution of employee performance in the industry with a view of establishing its main drivers/ predictors. This will enable managers to focus on the issues that positively influence both individual and organizational performance.

5.4 Limitations of the Study

Like studies in the same context the study faced some limitations. Information about the industry and its performance was unavailable meaning that the study had to rely on perceptual measures. These measures may have affected the accuracy of the analysis and the results thereof.

Classification of hotels was not very clear as the most recent classification done was not available leading to use of an old classification. The lack of clear classification may have interfered with the selection of sample leading to erroneous results.

The sample size used in this study may not have been adequate thereby increasing the error as a result of some assumptions related to the analysis not holding. There is therefore need to carry out the evaluation using a bigger sample size as this may significantly differ from the current study and may provide a source of comparison.

5.5 Suggestions for Further Research

The current study has identified various factors that inform the process of performance management but seem not to be significantly influencing employee performance in the hotel industry. Further research can be carried out to establish the contribution of these factors to increasing productivity of firms in other industries.

Similar research should be conducted with a view of establishing the factors that actually influence employee performance in the hotel industry in Kenya. This would most probably shed some light on the effect of the current factors under evaluation in managing performance.

REFERENCES

Abowd, J. (1990), "Does performance-based managerial compensation affect corporate performance?" *Industrial and Labor Relations Review*, Vol. 43, (Special Issue),pp. 52-73.

Analoui, F. (2007), Strategic Human Resources Management, Thompson Learning

Armstrong, M. and Baron, A. (1998), Performance Management, the New Realities, Institute of Personnel and Development, London.

Arthur, J. (1994), "Effects of human resource systems on manufacturing performance and turnover", *Academy of Management Journal*, Vol. 37 No. 3, pp. 670-87.

Banker, R., Field, J., Schroeder, R. and Sinha, K. (1996), "Impact of work teams on manufacturing performance", *Academy of Management Journal*, Vol. 39 No. 4, pp. 867-90

Becker, B., Huselid, M., Pickus, P. and Spratt, M. (1997), "HR as a source of shareholdervalue: research and recommendations", *Human Resource Management*, Vol. 36 No. 1,pp. 39-47.

Bento, A. and Bento, B. (2006), "Factors affecting the outcomes of performance management systems", *Journal of Information Technology Management*, Vol. 17 No. 2, pp. 23-32.

Bititci, U., Mendel, K., Nudurupati, S., Garengo, P. and Turner, T., (2006) "Dynamics of Performance Measurement and Organizational Culture", *International Journal of Operations and Production Management*, Vol. 26 No. 10, pp1325-50

Blois, K.J. (1985), "Productivity and effectiveness in service firms", *Service Industries Journal*, Vol. 4 No. 3, pp. 45-60, and reprinted in Foxall, G. (Ed.), Marketing in the Service Industries, Frank Cass, London.

Bourdieu, P. (trans. R. Nice) (1977) "Outline of A Theory of Practice." Cambridge University Press: New York

Bourne, M., Franco, M. and Wilkes, J. (2003), "Corporate performance management", Measuring Business Excellence, Vol. 7, pp. 15-21.

Bourne, M., Kennerley, M. and Franco-Santos, M. (2005), "Managing through measures: a study of impact on performance", *Journal of Manufacturing Technology Management*, Vol. 16No. 4, pp. 373-95.

Bourne, M., Kennerley, M. and Franco-Santos, M. (2005), "Managing through measures: a study of impact on performance", *Journal of Manufacturing Technology Management*, Vol. 16 No. 4, pp. 373-95.

Bourne, M., Mills, J., Wilcox, M., Neely, A. and Platts, K. (2000), "Designing, implementing and updating performance measurement systems", *International Journal of Operations & Production Management*, Vol. 20 No. 7, pp. 754-71.

Bourne, M., Neely, A., Mills, J. and Platts, K. (2003b), "Why some performance measurement initiatives fail: lessons from the change management literature", *International Journal of Business Performance Management*, Vol. 5 Nos 2/3, p. 245.

Cohen, M. D. (1991), 'Individual learning and organisational routine: emerging connections,'

Cyert, R. M. and J. G. March (1963/1992), *A Behavioral Theory of the Firm*. Blackwell: Oxford.

Davis, S. and Albright, T. (2004), "An investigation of the effect of balanced scorecardimplementation on financial performance", *Management Accounting Research*, Vol. 15,pp. 135-53.

De waal, A. and Coevert, V. (2007), "The Effect of Performance Management on the Organizational Results of a Bank", *International Journal of Productivity and Performance Management*, Vol. 56 No. 5/6, pp.384-396

De Waal, A.A. (2007), *Strategic Performance Management, a Managerial and Behavioural Approach*, Palgrave Macmillan, London.

Delaney, J. and Huselid, M. (1996), "The impact of HRM practices on perceptions oforganizational performance", *Academy of Management Journal*, Vol. 39 No. 4,pp. 949-69.

Delery, J. and Doty, D.H. (1996), "Modes of theorizing in strategic HRM: tests of universalistic, contingency, and configurational performance predictions", *Academy of Management Journal*, Vol. 39 No. 4, pp. 802-35.

Dosi, G., D. Teece and S. Winter (1992), 'Toward a theory of corporate coherence: some preliminary remarks,'

Egidi, M. (1996), 'Routines, hierarchies of problems, procedural behaviour: some evidencefrom experiments,' in K. Arrow, E. Colombatto, M. Perlman and C. Schmidt (eds), *The Rational Foundations of Economic Behaviour*. Macmillan: London, pp. 303–333.

Feldman, M. S. (2000), 'Organisational routines as a source of continuous change,' *Organisation Science*, **11**, 611–629.

Feldman, M.S. (2003), "A performative perspective on stability and change in organizational routines", *Industrial and Corporate Change*, Vol. 12 No. 4, p. 727.

Feldman, M.S. and Pentland, B.T. (2003), "Reconceptualizing organizational routines as a source of flexibility and change", *Administrative Science Quarterly*, Vol. 48 No. 1, p. 94.

Filippini, M., Farsi, M. and Fetz, A. (2005), "Benchmarking analysis in electricity distribution",*Sustainable Energy Specific Support Action (SESSA) European Regulation Forum on Electricity Reforms*, Bergen, Norway, March 3-4.

Fowler, V. (1990) "Performance Management Practices in Public Sector Organizations: Impact on Performance", *Accounting, Auditing and Accountability Journal*, Vol 21 NO 3, pp 427-54

G. Dosi, R. Giannetti and P. A. Toninelli (eds), *Technology and Enterprisein a Historical Perspective*. Clarendon Press: Oxford, pp. 185–211.

Gersick, C. J. and J. R. Hackman (1990), 'Habitual routines in task-performing groups,' *Organisational Behaviour and Human Decision Processes*, **47**, 65–97.

Giarini, O. (1991), "Notes on the concept of service quality and economic value", in Brown, S.,Gummerson, E., Edvardsson, B. and Gustavsson, B. (Eds), *Service Quality:Multidisciplinary and Multinational Perspectives*, Lexington Books, Toronto, pp. 57-69.

Giddens, A. (1984), *The Constitution of Society*. University of California Press: Berkeley.

Gro¨nroos, C. (1990), *Service Management and Marketing*, Lexington Books, Lexington, MA.

Gummesson, E. (1993), "Service productivity, service quality and profitability", paper presented at the 8th International Conference of the Operations Management Association, Warwick.

Gupta, A. (1995), "Productivity measurement in service operations: a case study from the health-care environment", *Managing Service Quality*, Vol. 5 No. 5, pp. 31-5.

Harel, G. and Tzafrir, S. (1999), "The effects of HRM practices on the perceptions of organizational and market performance of the firm", *Human Resource Management*, Vol. 38 No. 3, pp. 185-200.

Hartle, D.T. (1995) "Performance Management: A Framework for Management and Control Systems Research; *Management Accounting Research*, Vol. 10 No 4, Dec, pp 363-382

Hodgson, G. M. (2003), 'The mystery of the routine: the Darwinian destiny of An Evolutionary Theory of Economic Change,' *Revue Economique*, **54**, 355–384.

Hodgson, G. M. and T. Knudsen (2003), 'The replication of habits,' mimeo, University of Hertfordshire.

Hodgson, G. M. and T. Knudsen (2004a), 'The firm as an interactor: firms as vehicles for habits and routines,' *Journal of Evolutionary Economics*, **14**, 281–307.

Hodgson, G.M. and Knudsen, T. (2004), "The complex evolution of a simple traffic convention: the functions and implications of habit", *Journal of Economic Behavior &Organization*, Vol. 54 No. 1, pp. 19-47.

Hoque, K. (1999), "HRM and performance in the UK hotel industry", *British Journal of Industrial Relations*, Vol. 37 No. 3, pp. 419-43.

Huselid, M. (1995), "The impact of HRM practices on turnover, productivity, andcorporate financial performance", *Academy of Management Journal*, Vol. 38 No. 3,pp. 635-72.

Ichniowski, C., Shaw, K. and Prennushi, G. (1997), "The effects of HRM practices on productivity: a study of steel finishing lines", *The American Economic Review*, Vol. 87 No. 3, pp. 291-313.

Ingram, H. and McDonnell, B. (1996), "Effective Performance Management- The Teamwork Approach Considered", *Managing Service Quality*, Vol. 6 No. 6, pp.38-42

Ittner, C.D. and Larcker, D.F. (1998), "Are non-financial measures leading indicators of financial performance? An analysis of customer satisfaction", *Journal of Accounting Research*, Vol. 36, Supplement, pp. 1-35.

Khatri, N. (2000), "Managing human resource for competitive advantage: a study of companies in Singapore", *The International Journal of Human Resource Management*, Vol. 11 No. 2, pp. 336-65.

Koch, M. and McGrath, R.G. (1996), "Improving labor productivity: HRM policies do matter", *Strategic Management Journal*, Vol. 17, pp. 335-54.

Kuhlmann, S. (2010), "Performance Management in European Local Governments: A Comparative Analysis of Reform Experiences in Great Britain, France, Sweden and Germany", *International Review of Administrative Sciences*76 (2): 331-345

Langfield-Smith, K. (1997), "Management control systems and strategy: a critical review", *Accounting, Organizations and Society*, Vol. 22 No. 2, pp. 207-32.

MacDuffie, J.P. (1995), "Human resource bundles and manufacturing performance: organizational logic and flexible production systems in the world auto industry", *Industrial and Labor Relations Review*, Vol. 48 No. 2, pp. 197-221.

March, J. and H. Simon (1958/1993) *Organizations*. Oxford: Blackwell.

McLaughlin, C.P. and Coffey, S. (1990), "Measuring productivity in services", *International Journal of Service Industry Management*, Vol. 1 No. 1, pp. 46-64.

Michie, J. and Sheehan-Quinn, M. (2001), "Labour market flexibility, human resource management and corporate performance", *British Journal of Management*, Vol. 12, pp. 287-306.

Milgram, S. (1963), "Behavioral study of obedience", *Journal of Abnormal and Social Psychology*, Vol. 67, pp. 371-8.

Neely, A. and Austin, R. (2000), "Measuring operations performance: past, present and future", in Neely, A. (Ed.), Performance Measurement: Past, Present and Future, Centre for Business Performance, Cranfield School of Management, Cranfield University, Cranfield, pp. 419-26.

Neely, A., Kennerley, M. and Martinez, V. (2004), "Does the balanced scorecard work: an empirical investigation", in Neely, A., Kennerly, M. and Waters, A. (Eds), Performance Measurement and Management: Public and Private, Centre for Business Performance, CranfieldUniversity, Cranfield, pp. 763-70.

Nelson, R. and S. Winter (1982), *An Evolutionary Theory of Economic Change*. Belknap Press
Organisation Science, **2**, 135–139.

Orlikowski, W. J. (1996), 'Improvising organizational transformation over time: a situated change perspective,' *Information Systems Research*, **7**, 63–92.

Orlikowski, W. J. (2002), 'Using technology and constituting structures: a practice lens for studying technology in organizations,' *Organization Science*, **11**, 404–428.

Owen, K., Mundy, R., Guild, W., Guild, R., 2001, "Creating and Sustaining the High Performance Organization", *Managing Service quality*, Vol. 11 No. 1 pp 10-21

Panayotopoulou, L. and Papalexandris, N. (2004), "Examining the link between human resource management and Firm Performance", *Personnel Review*, Vol. 33 No. 5, pp. 499-520

Philpott, R.Z. and Sheppard, M. (1992) "Performance management in the public sector: Fact or Fiction?" *International Journal of productivity and Performance management* 53(3): 245-260

Radnor, Z.J. and Barnes, D. (2007), "Historical analysis of performance measurement and management in operations management", *International Journal of Productivity and Performance Management*, Vol. 56 Nos 5/6, pp. 384-96.

Robson, I. (2004a), "From process measurement to performance improvement", *Business Process Management Journal*, Vol. 10, No. 5, pp. 510-21.

Sahay, B.S., 2005, "Multi Factor Productivity Measurement Model for Service Organization", *International Journal of Productivity and Performance management*, Vol. 11 No. 1 pp 7-22

Sherwood, M.K. (1994), "Difficulties in the measurement of service outputs", *Monthly Labor Review*, Vol. 117 No. 3, pp. 11-19.

Simon, H. A. (1947/1997), *Administrative Behaviour*. The Free Press: New York.

Simon, H. A. (1955), 'A behavioral model of rational choice,' *Quarterly Journal of Economics*, **69**, 99–118.

Simons, R. (2000), Performance Measurement and Control Systems for implementing Strategy, Prentice Hall, Upper Saddle River, NJ.

United States Office of Personnel management (2001), A Handbook for Measuring Employee Performance

Wernerfelt, B. (1984), 'A resource-based view of the firm,' *Strategic Management Journal*, **5**, 171–180.

Wilson, I. (1988), "Competitive strategies for service businesses", *Long Range Planning*, Vol. 21 No. 6, pp. 10-12.

Winter, S. G. (1964), 'Economic "natural selection" and the theory of the firm,' *Yale Economic Essays*, **4**, 225–272.

Youndt, M., Snell, S., Dean, J. and Lepak, D. (1996), "HRM, manufacturing strategy and firm performance", *Academy of Management Journal*, Vol. 39 No. 4, pp. 836-66.

APPENDICES

Appendix I: Questionnaire

This questionnaire is seeking your perception on performance management and employee performance in your every day work. The output from this questionnaire is for academic purposes only and will be treated with confidentiality. Kindly tick as appropriate in the spaces provided

Section A: General Information

Gender

Male ☐   Female ☐

Age

20-25 years ☐   25-30 years ☐   30-35 years ☐   35-40 years ☐   over 40 years ☐

Highest education level attained

High school certificate ☐   Diploma ☐   degree ☐   masters ☐   PhD ☐

Number of years worked for the organization

0-5 years ☐   6-10 years ☐   11-15 years   15-20 years ☐   over 20 years ☐

Number of years worked in your current position

1-3 years ☐   4-6 years ☐   7-9 years ☐   10-12 years ☐   over 12 years ☐

Section B: Employee Perception on Performance Management

Kindly tick in the appropriate box to indicated the level to which you agree with the following statements as relates to your organization where 1 = Strongly Disagree 2 = Disagree 3 = Neither Disagree nor Agree 4 = Agree 5 = Strongly Agree

Measure	1	2	3	4	5
Planning					
I get all the supplies that I require to do my job					
The supplies are available whenever I need them					
The supplies are of the of good quality					
The supplies are safe to use					
My boss always checks with me to confirm what kind of supplies should be bought					
My boss regularly confirms how much of my supplies are remaining					
I am aware of my shifts at the start of each month					
Any changes in shift are communicated early in advance					
When shifts are arranged our different abilities are considered					
When shifts are arranged they follow some order that is repeated after a given period					
There is a rule governing the number of times I work in a given shift					
I am paid for extra hours worked outside my shift					
I am allowed to take time off duty to compensate for extra hours worked					
There are strict rules governing change of shifts					
My boss and I regularly discuss about the work load that I should cover					
We always agree on the amount of workload to be covered before my boss includes it in his plan					
At the end of each period we sit down to compare what has been achieved against what was agreed					
Communication					
We always communicate with my boss in writing					
Most of the information I need in doing my job is					

Measure	1	2	3	4	5
delivered earlier before I am required to work on it					
Any new developments that may affect my daily routine are brought to my attention immediately					
My boss allows me to brief him on the progress attained by word of mouth					
I am informed early when I am supposed to work extra hours after my shift is over					
I am always informed when working with information that has not been confirmed and can change any time.					
There is easy exchange of information with other members within my department					
There is easy exchange with members of other departments					
Exchange of information with other departments can be done by word of mouth					
Information acquired from other departments can be easily verified					
Crisis management					
Whenever there is a problem my boss comes in to find out what has happened					
My boss allows us to seek our way out of the problems before providing his view					
My boss always assists by providing leadership in tackling problems					
When there is a problem any assistance requested of my boss is accorded immediately					
Other department that may assist in providing a solution are promptly involved					
Even when the problem is solved, a follow up is done to ensure all is working well					
Formalization of Routines					
My work involves a series of different steps that are performed repeatedly following a given sequence					
The steps involved are written down indicating the sequence to be followed					
The steps are connected to one another					
My work is made easier when I have all the supplies I require in good time					

Measure	1	2	3	4	5
Most of the steps in my work have to be completed within specific time period					
If the time period is exceeded then the next steps are seriously affected					
Some or all the steps in my work depend on the completion of previous steps for them to be successful					
I am allowed to use my own judgement in steps where the end result is not clear					
I always work with the same people in my shift					
Our shift changes at the same time for most of us					

Section C: Employee Performance

Kindly tick in the appropriate box to indicated the level to which you agree with the following statements as relates to your organization where 1 = Strongly Disagree 2 = Disagree 3 = Neither Disagree nor Agree 4 = Agree 5 = Strongly Agree

Measure	1	2	3	4	5
Performance					
I am able to finish my work on time					
I rarely have to repeat a task because it was not done properly					
The quality of my output is quite good					
Customers have never raised a complaint about my service					
I am able to provide necessary information that would assist others to complete their tasks					
I am able to find solutions to the various challenges I encounter in my work					
We have good working relations between me and my collegues					
We assist each other in handling tasks that are challenging					

Thank you for participating

Appendix II: List of Hotels by Categories

Name	Star Rating
Fairmont the norfolk Hotel	5 star
Intercontinental Hotel	5 star
Nairobi Serena Hotels	5 star
Ole-Sereni Hotel	5 star
Sankara Hotel	5 star
Sarova Hotels: the Stanley	5 star
Tribe-the village market hotel	5 star
Safari park hotel and casino	5 star
Villa Rosa kempinski	5 star
Hemmingways	5 star
Windsor Golf Hotel	5 star
Nairobi safari club	5 star
Crowne Plaza Nairobi	4 star
Eka Hotel	4 star
Hilton hotel	4 star
Jacaranda Hotel	4 star
Laico regency hotel	4 star
Panari Hotel	4 star
Safari park Hotel	4 star
Sarova Panafric Hotel	4 star
Southern sun Mayfair Nairobi	4 star
The Boma	4 star
Windsor Golf and Country Club	4 star
Fairview country hotel	4 star
The heron portico	4 star
Nairobi Safari Club	3 star
Red Court Hotel	3 star
Silver springs hotel	3 star
Six eighty hotel	3 star
Hennesis hotel	3 star
Pride inn hotel	3 star

Appendix III: Introductory Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162 Telegrams: "Varsity", Nairobi Telex: 22095 Varsity	P.O. Box 30197 Nairobi, Kenya

DATE 30/09/2014

TO WHOM IT MAY CONCERN

The bearer of this letter .... MAKORI ALEX OANDA ....

Registration No. .... D61/76198/2012 ....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS